LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Conservation Auditorium, 1st Floor, State Land & Natural Resources Building, 625 North 4th Street, Baton Rouge, Louisiana, at 9:00 a.m., on **WEDNESDAY**, **JUNE 14**, **2000**, upon the application of **EL PASO PRODUCTION COMPANY**.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of an Order pertaining to the following matters relating to the **James Formation**, **Reservoir C**, in the Converse Field, Sabine Parish, Louisiana.

- To establish rules and regulations and to create four (4) drilling and production units for the exploration for and production of gas and condensate from the James Formation, Reservoir C, such units to be designated JAMES RC SUA, JAMES RC SUB, JAMES RC SUC and JAMES RC SUD.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units, with each tract sharing in unit production on a surface acreage basis of participation.
- 3. To designate El Paso Production Company as unit operator for each of the proposed units.
- 4. To provide that the gas allowable provisions of Statewide Order No. 29-F, LAC 43:XIX.2101, et seq, should not apply to horizontal wells drilled to the James Formation, Reservoir C, but that all such wells should be given an allowable based on the maximum efficient rate (MER) of the well, being the maximum sustainable daily withdrawal rate from the reservoir which will permit economical development and reservoir depletion without causing waste.
- 5. To provide for special field spacing rules for any future horizontal well drilled to the James Formation, Reservoir C, which would provide (a) that the penetration point and terminus of any lateral of any such horizontal well shall not be located closer than 330 feet to any unit boundary, (b) that the average distance between the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 1000 feet; (c) that the distance from any point along the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 660 feet; and (d) that there be no well spacing limitations between wells other than that accomplished by application of the aforestated provisions.
- 6. To provide that the Commissioner of Conservation should be authorize to reclassify the James Formation, Reservoir C, created herein by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
- 7. To consider such other matters as may be pertinent.

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CONVERSE FIELD 00-354

The James Formation, in the Converse Field, Sabine Parish, Louisiana, was previously defined in Office of Conservation Order No. 501-B, effective February 1, 1975.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

PHILIP N. ASPRODITES COMMISSIONER OF CONSERVATION

Baton Rouge, La 5/4/00;5/9/00 S dpe

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE CONTACT <u>DEPARTMENT OF NATURAL RESOURCES</u>, PERSONNEL SECTION AT P.O. BOX 94396, BATON ROUGE, LA 70804-9396 IN WRITING OR BY TELEPHONE (225) 342-2134 BETWEEN THE HOURS OF 8:00 A.M. AND 4:30 P.M., MONDAY THRU FRIDAY WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.